



**Tom Barrett**  
Mayor, City of Milwaukee

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May 19, 2009

The Honorable Joe Biden  
Vice President of the United States  
Eisenhower Executive Office Building  
1650 Pennsylvania Avenue, N.W.  
Washington, DC 20501

Dear Vice President Biden:

I sincerely appreciate everything you are doing to oversee implementation of the American Recovery and Reinvestment Act (ARRA) and to address the concerns of mayors and other elected officials through White House briefings and teleconference calls. Your guidance and advice has been invaluable.

I am writing today to address an issue of serious concern to workers in Milwaukee and across the nation – the disturbing trend of businesses relocating from one area to another location in a different community or state. As you are well aware, there is tremendous competition among communities for new plants and other business expansions, and state and local governments are doing everything they can to attract new businesses and retain existing businesses.

In today's tough economic environment, these actions may be necessary in order for a business to maintain a competitive edge or survive. However, I strongly oppose business relocation activities that have been partially subsidized or underwritten with government funds that fuel job losses elsewhere. It has been documented that some states and localities have used federal funds to steal jobs from other areas, a practice commonly referred to as "job pirating."

This issue was first brought to my attention when I was a member of Congress. In 1994, it was revealed to me that Briggs and Stratton would close its engine manufacturing plant in Milwaukee, resulting in 2,000 workers being permanently displaced. This devastating news was compounded by the subsequent discovery that these jobs were being transferred to plants that were being expanded in two other states. To add further injury and insult, the company used \$855,000 in Community Development Block Grant (CDBG) funds administered by the U. S. Department of Housing and Urban Development (HUD) to subsidize the expansion.

Anti-piracy provisions were in place in 1994 at the U. S. Department of Commerce, Economic Development Administration (EDA) and U. S. Small Business Administration (SBA). However, they were not applicable to the HUD CDBG program at the time. That is why I introduced the Prohibition of Incentives for Relocation Act along with Senators Herb Kohl and Russ Feingold to ban this practice at HUD. The third White House Conference on Small Business, convened in 1995, included this legislation in its recommendations of the most important issues facing small businesses and forwarded it to Congress and the President for action. It was finally enacted into law in 2005.

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I raise this issue today because there are federal agencies responsible for administering billions of ARRA dollars not governed by anti-piracy laws. Although the EDA, SBA and HUD have to abide by anti-piracy regulations imposed by federal statutes, there is nothing to prevent other federal agencies from intentionally or unintentionally allowing ARRA dollars to be used to support job pirating.

While it may be appropriate to use ARRA funds to preserve jobs and retain existing businesses in a particular community, it is totally inappropriate to use ARRA funds or any federal dollars to lure jobs from one area to a different community or state. Any action to do so would violate ARRA's clear intent to preserve and create jobs and promote economic recovery while assisting those most impacted by the economic downturn.

I, therefore, ask for your help in providing formal White House guidance on this matter because the importance of this issue remains a critical one to this day for Wisconsin as well as other states with a high concentration of labor intensive industries. Workers in Milwaukee and across the nation would rest much easier knowing that they have the weight of the White House behind them and that no ARRA funds will be used to take their jobs away.

Thank you for your consideration.

Sincerely,



Tom Barrett  
Mayor

Copy to: Wisconsin Congressional Delegation  
Thomas Cochran, Executive Director, U. S. Conference of Mayors  
David Agnew, Deputy Director of White House Office of Governmental Affairs and President's Liaison to Cities  
Common Council President Willie Hines, City of Milwaukee  
Alderman Ashanti Hamilton, Chairman of the Judiciary and Legislation Committee, City of Milwaukee Common Council